

South Carolina Education Oversight Committee

Columbia, South Carolina

State Auditor's Report

June 30, 2020



Independent Accountant's Report on Applying Agreed-upon Procedures

August 3, 2021

Matthew Ferguson, Executive Director
and
Members of the Committee
South Carolina Education Oversight Committee
Columbia, South Carolina

We have performed the procedures described in Attachment 1 on the systems, processes and behaviors related to financial activity of the South Carolina Education Oversight Committee (the Committee) for the fiscal year ended June 30, 2020. The Committee's management is responsible for the systems, processes and behaviors related to financial activity.

The Committee's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of understanding the systems, processes and behaviors related to financial activity. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged by the Committee to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the systems, processes and behaviors related to financial activity of the Committee for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

The concept of materiality does not apply to findings to be reported in an agreed-upon procedures engagement. Therefore, all findings from the application of the agreed-upon procedures must be reported unless the definition of materiality is agreed to by the Committee's management. Management of the Committee has agreed that the following deficiencies will not be included in the State Auditor's Report on Applying Agreed-Upon Procedures:

- Errors of less than \$1,000 related to cash receipts and non-payroll cash disbursements transactions.
- Errors of less than \$1,000 related to reporting packages.

We are required to be independent of the Committee and to meet other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Committee and management of the South Carolina Education Oversight Committee, and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

George L. Kennedy, III, CPA
State Auditor

**South Carolina Office of the State Auditor
Agreed – Upon Procedures Related to Education Oversight Committee (A85)**

Cash Disbursements/Non-Payroll Expenditures

1. Haphazardly select twenty non-payroll disbursements and inspect supporting documentation to determine:
 - The transaction is properly completed as required by Committee procedures and invoice(s) agree(s) with general ledger as to vendor, amount, and date.
 - All supporting documents and approvals are present and agree with the invoice.
 - The transaction is an actual expenditure of the Committee.
 - The transaction is properly classified in the general ledger.
 - Disbursement is recorded in the proper fiscal year.
 - Clerical accuracy.
 - Disbursement complies with applicable Committee-specific state provisos 1.64 (Community Block Grants for Education Pilot Program), 1A.7 (Disbursements/Other Entities), 1A.29 (Full-Day 4K), 1A.41 (EOC Partnerships for Innovation), 1A.59 (CDEPP Unexpended Funds), 1A.83 (Digital Learning Plan), and 3.5 (FY 2019-20 Lottery Funding).

Finding

The Committee incorrectly recorded the purchase of video conferencing equipment costing \$3,696. The asset should have been recorded as a low value asset in the South Carolina Enterprise Information System (SCEIS).

Management's Response

We agree with the finding and will implement a review process to ensure assets are recorded properly in accordance with the CG's Reporting Policies and Procedures Manual. The equipment will be added to the Committee's asset listing as a low value asset in fiscal year 2022.

Journal Entries and Transfers

2. Haphazardly select five journal entries and transfers and inspect supporting documentation to determine:
 - Postings in the general ledger agree to supporting documentation.
 - Transaction is properly approved.
 - The purpose of the transaction.

We found no exceptions as a result of this procedure.

Reporting Packages

3. Inspect fiscal year end reporting packages submitted to the Office of the State Comptroller General (CG). Compare responses in the Master Reporting Package Checklist and any required supplemental information to the SCEIS general ledger, Committee prepared records, and year end reporting packages submitted to the CG. Additionally, compare the dates submitted to the due dates established by the CG's Reporting Policies and Procedures Manual.
4. Compare responses in the Subsequent Events Questionnaire and any required supplemental information to the SCEIS general ledger. In addition, haphazardly select two payables from the Subsequent Events Accounts Payable Worksheet and determine if the amounts were properly classified, calculated, reported, and excluded from the original Accounts Payable Reporting Package submission.

We found no exceptions as a result of these procedures.

Assets and Personal Property

5. Through inquiry of management and inspection of supporting documentation, determine that an inventory of Committee property, excluding expendables, was completed during the fiscal year as required by South Carolina Code of Laws Section 10-1-140.

We found no exceptions as a result of this procedure.

Committee-Specific Provisos

6. Determine compliance with Committee-specific state provisos 1A.29 (Full-Day 4k), 1A.46 (EOC-South Carolina Autism Society), 1A.59 (CDEPP Unexpended Funds), 1A.64 (Low Achieving Schools), and 3.1 (LEA: Audit) by inquiring with management and observing supporting documentation.

We found no exceptions as a result of this procedure.